

2006 COURSE CATALOGUE

FFIEC EXAMINER EDUCATION

Third Edition – February 2006



www.ffiec.gov

**FEDERAL FINANCIAL INSTITUTIONS
REGULATORY AGENCIES**

2006 Course Catalogue

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Introduction

This catalogue contains brief descriptions of the examiner training programs offered by the FFIEC and the five federal financial institution regulatory agencies that comprise it.

The first section presents detailed information about FFIEC programs. The second section presents summary information about the FFIEC member-agency training programs available to other agencies.

The FFIEC and Council-member agency training calendars are planned in response to the requests received, and limited capacity exists to accommodate additional training requests received during the training year.

The FFIEC and each of its member agencies plan an annual training calendar in the summer to determine the type and frequency of courses to be made available during the following year. State regulatory agencies are encouraged to forward estimates of their training needs in the spring and summer for the upcoming year.

Each regulatory agency has summarized its registration policy and tuition rates and has specified its policies on sponsorship and other financial assistance to state regulatory agencies. To obtain more information about the courses described in this catalogue, please contact the sponsoring agency.

Visit the Examiner Education Office at
www.ffiec.gov

Follow the Examiner Education Office link. The site contains the Course Catalogue, current calendar of course offerings, and FFIEC Information Technology Symposium and Fraud Symposium published white papers. The site also contains directions to the training center, information for guest speakers and current staff and their course assignments.

Letter from the Manager

The Federal Financial Institutions Examination Council was established pursuant to title X of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The purpose of title X was to create an interagency body empowered to “prescribe uniform principles and standards for the federal examination of financial institutions...and make recommendations to promote uniformity in the supervision of these financial institutions.” As a part of its mandate, the Council conducts training programs for federal and state examiners.

The goals of the training program are:

- to promote training efficiency by encouraging consistency of examiner education through joint sponsorship of interagency training
- to develop, maintain and deliver timely, state-of-the-art interagency training
- to serve as a clearinghouse of training opportunities offered by the member agencies
- to provide support to the initiatives of the Council and its task forces

Since its inception in 1979, the Council has provided training for over 76,000 participants. All programs are offered under the auspices of the Task Force on Examiner Education, whose principal members are officers of the five Council-member agencies who oversee examiner training. Programs are expressly designed to meet the needs of examiners.

The training office relies primarily on the private sector for instructors. Bankers, attorneys, accountants, and consultants bring outside expertise to the classroom. This provides a source of instructors to supplement those found in agency commissioning training. Staff members from participating agencies provide lectures on regulatory topics.

The training office stands ready to provide “spot” seminars or conferences which are needed to prepare examiners for new regulatory initiatives. When new interagency regulatory announcements are made, the Council training office can respond quickly to the training need.

In 1999, the FFIEC developed a method of delivering training or information called the “FFIEC InfoBase.” This technology makes it possible to produce CD-ROMs that are compatible with the computer systems in the member agencies, including examiners’ laptops. This provides the Council with the means to disseminate new interagency policies, procedures, and training to the examiners of the member agencies and to respond quickly, thus reducing the lag between policy announcements and examiners’ receipt of additional information and training.

Beginning in 2002, the Examiner Education Office began providing a supplemental CD to all attendees as a value-added tool for their training needs. The CD contains presenters’ materials, pertinent regulatory guidance, and other relevant industry issuances. An e-mail address: ffiecfeedback@fdic.gov has been set up to provide examiners an opportunity to respond to questionnaires and to provide a direct link for suggestions. Also in 2002, the FFIEC began a relationship with CSBS to provide an on-line distance learning Fraud Identification training course. In 2003, an on-line Real Estate Appraisal Review training course was added.

In 2004, the FFIEC EEO continued to coordinate revisions of the FFIEC Information Technology Examination Handbook, which can be found at: www.ffiec.gov. In addition, a Check 21 InfoBase was added for bankers and examiners to provide a resource to understand the compliance implications for the 21st Century Act (Check 21).

Karen K. Smith
Manager of Examiner Education
May 2, 2005

General Information

Who May Attend?

Programs are open to the staff of federal and state financial institution regulatory agencies. Staff members from other regulatory agencies will be accommodated if space is available. The *Basic International Banking Self-Study CD* is available for sale to the public.

Registration

Agency employees who are interested in FFIEC training need to be registered through their respective agency's training headquarters. State financial institution regulatory staff should attempt to register through a Council-member agency (some provide partial financial sponsorship) or through their association of state supervisors. State bank examiners may also register directly with the FFIEC. Foreign applicants should look for registration information in the Federal Reserve System section of this catalogue.

It is suggested that state agencies submit their training requests during the spring and summer for the following calendar year. This will be helpful in planning the number of sessions for each program. Otherwise, availability may be limited.

Tuition

Tuition for 2006 will vary by class size, amount of course materials, number of outside instructors, etc. and may vary from 2005 rates. The tuition rates for non-member agency participants are available on the FFIEC website: www.ffiec.gov.

Training Facility

The FFIEC leases offices, classrooms, and the auditorium from the FDIC at the L. William Seidman Center, 3501 Fairfax Drive, Room B 3030, Arlington, Virginia 22226-3550. Phone: (703) 516-5588, Fax: (703) 516-5487.

Lodging

Hotel accommodations for most participants can be arranged in the L. William Seidman

Residence Facility, 1001 N. Monroe Street, Arlington, Virginia 22201 adjacent to the training center; Phone: (703) 516-4630. Reservations should be made through member agency training offices. The FFIEC will make lodging arrangements at the Residence Facility for individuals registering for programs directly with the FFIEC.

Training Memoranda and Pre-Course Study Materials

The registering member agency will send a training memorandum and pre-course study materials, if applicable, to each of its participants approximately 30 days prior to the session date. The memorandum will give the location and starting and ending times of the program. For courses that require pre-course preparation, the FFIEC will send the pre-course materials to member agency training offices for distribution to each participant.

Subprime Lending CD

This CD is available through the member agencies. Please inquire at the office of your agency's training coordinator. The CD contains 500 pages of reference materials and seven short slide presentations. This program was updated in 2002.

Privacy CD

This CD is available through the member agencies. The CD contains a series of reference materials, examination procedures, and 12 slide presentations on the Gramm-Leach-Bliley Act Financial Privacy Regulations.

Supervisory Updates and Emerging Issues CD

This CD is available through the member agencies. The CD provides the examiner with current authoritative analyses of emerging issues confronting the regulatory and banking communities.

General Information (continued)

Dress Code

Participants may wear comfortable attire appropriate for a business environment for programs conducted in the L. William Seidman Center, Arlington, Virginia. Coat and tie are not required. However, tennis shoes, T-shirts, blue jeans, and shorts should not be worn.

Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description. When in doubt, call the registering agency's training headquarters or the program administrator to determine eligibility. FFIEC program administrators and the programs for which they are responsible are listed below.

Senior Program Administrators

Jennifer C. Herring

Jherring@fdic.gov

(703) 516-5594

Anti-Money Laundering Workshop
Asset Management Forum
Financial Crimes Seminar
Fraud Identification Training On-Line Course
Fraud Investigations Symposium
Instructor Training School
Lead Investigation Specialists Workshop
Testifying School

Judith E. Dupre

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*Advanced Cash Flow Concepts and Analysis:
Beyond the Numbers (Formerly Beyond
Advanced Commercial Credit Analysis)*
Advanced Commercial Credit Analysis
*Cash Flow Construction & Analysis from
Federal Tax Returns*
Community Financial Institutions
Lending Forum
Payment Systems Risk Conference
Real Estate Appraisal Review School
REARS On-Line & Self-Study

Randall D. Howe

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Basic International Banking Self-Study CD
Capital Markets Conference
Capital Markets Specialists Conference
Information Technology Conference
Information Technology Symposium
International Banking Conference
International Banking School
Supervisory Updates and Emerging Issues
E-Learning
FFIEC InfoBase and Training CDs
Information Technology Examination
Handbook Revisions

Questions?

For more information: call, write, or e-mail.

FFIEC Examiner Education

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Arlington, Virginia 22226-3550

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Fax: (703) 516-5487

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Advanced Cash Flow Concepts and Analysis: Beyond the Numbers

(Formerly Beyond Advanced Commercial Credit Analysis)

Summary

Advanced Cash Flow Concepts and Analysis: Beyond the Numbers, instructed by Steve Gulbrandsen, takes credit and cash flow skills to a significantly higher level. Focus includes cash flow alerts, cash flow traps, debt capacity analysis, and emphasis on tools to get behind the numbers in a highly efficient manner.

Objectives

At the completion of this course, participants will be able to:

- Clearly understand appropriate uses of a range of cash flow measurements, including EBITDA, EBIT, Free Cash Flow, NOPAT, and others; to identify the appropriate cash flow measurement for the situation; and to recognize common misuses that may lead to credit problems.
- Go beyond traditional cash flow analysis to assess aggressive revenue recognition, expense deferrals, deferred taxes, and conventions employed in recent times to disguise problems; examiners will identify potential problems even when companies show positive earnings and positive operating cash flow
- Broaden recognition of cash flow early warning signals to identify potential problems that have been missed by the industry in recent years
- Identify key lessons learned in economic cycles and draw on the best statistical predictors of resilience through the cycle
- Recognize cash flow traps that bankers frequently “fall into” and successfully navigate through these traps
- Implement new models for getting behind the numbers, identifying repayment sources with greater precision, and capturing the essence of the credit situation in a highly efficient manner — this includes a “3-minute tool” for capturing the essence of a cash flow situation
- Apply latest debt capacity tools, including a cash flow test to assess “evergreen” revolvers
- Identify industry excesses, such as the recent “enterprise value” loans and highly leveraged transactions, and employ a model to realistically assess these and other future industry excesses

Target Audience

The course is intended for seasoned commissioned examiners at all tenure levels. Attendees should have a strong working knowledge of commercial loans and

a solid understanding of cash flow derivation from related financial statements.

Length

The course is 4½ days beginning at 8:30 a.m. on Monday and ending on Friday at 12:00 noon. The normal class day is 8 hours.

Pre-Course Study

The pre-course assignment will be sent to each participant about 6 weeks prior to the session. **The estimated time to complete the pre-course assignment is approximately 6 hours.**

Topics

- Getting behind the numbers, capturing the essence of the credit in an efficient manner
- Learning tools for analyzing debt capacity
- Clarifying several cash flow measurements and their uses and misuses
- Identifying tactics borrowers have used to successfully hide problems
- Identifying non-cash in earnings
- Broadening recognition of warning signs
- Navigating through cash flow traps
- Applying lessons learned in cycles
- Helping the industry avoid excess

Note: This course compliments *Advanced Commercial Credit Analysis* and *Cash Flow Construction and Analysis from Federal Tax Returns*; however, none of the courses are prerequisites for each other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on cash flow traps, debt capacity analysis, tools to get behind the numbers, and cash flow alerts to identify accounting frauds in advance of industry norms. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.

Requirements

Participants should bring a calculator to class.

Advanced Commercial Credit Analysis

Summary

Advanced Commercial Credit Analysis, instructed by Dean Duelke, provides high-level skill development to rapidly identify and evaluate the true causes of present and prospective repayment difficulties of commercial borrowers. Learned techniques will be applicable to all types of loans including term loans, working capital loans, lines of credit, and project lending. The course also covers proper loan structuring to ensure the most favorable conditions for borrower repayment.

Objectives

At the completion of this course, participants will be able to:

- Prepare a quick assessment to identify the cash flow issues of a particular credit relationship
- Ask key questions to determine financing needs and lending risks
- Separate current and long-term financing causes by assessing the relationship between liquidity and profitability
- Establish an approximate sustainable growth rate based on present Balance Sheet and Income Statement information

Target Audience

The course is intended for seasoned commissioned examiners at all tenure levels. Because of the small audience size and the intense pace of the session, attendees must have a strong working knowledge of commercial loans, have a solid understanding of sources and uses of cash, and be able to apply cash flow concepts.

Length

The course is 3½ days. It begins on Tuesday at 8:00 a.m. and ends on Friday at 11:30 a.m. The normal class day is 8 hours.

Requirements

Participants must have completed the pre-course assignments and reviewed the pre-course explanation packet. Participants should bring the following items to this course:

- A copy of the completed pre-course assignment
- A copy of the pre-course explanation packet (which will be sent after the completed pre-class assignment is submitted)
- A basic calculator (financial calculator preferred, but not necessary)

Pre-Course Study

This course requires all participants to complete pre-course readings, complete and submit a pre-course assignment, and review a pre-course assignment explanation packet. Each participant's training department will e-mail the pre-course documents to the participant approximately 6 weeks prior to the session. The pre-course assignment is a 12-page packet that requires students to answer questions and perform calculations. The completed assignment must be submitted to the FFIEC program administrator by the established due date (approximately 3 weeks prior to the session). The FFIEC program administrator will forward the completed pre-course assignments to the course instructor for review. Following receipt of the completed assignment, the FFIEC program administrator will e-mail an explanation packet to each participant. Reviewing the explanation packet will take additional time depending on the participant's comfort with the pre-course exercise topics. Upon arrival at the training center, participants will receive their corrected pre-course assignment from the instructor. **The estimated range of time to complete the pre-course readings and the pre-course assignment as well as review the pre-course assignment explanation packet is between 8 and 16 hours.**

Topics

- Relationship of liquidity and profitability
- Sustainable growth and the cash flow implications
- Loan structuring
- Credit relationship strategies

Note: This course compliments *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* and *Cash Flow Construction and Analysis from Federal Tax Returns*; however, none of the courses are prerequisites for each other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on cash flow traps, debt capacity analysis, tools to get behind the numbers, and cash flow alerts to identify accounting frauds in advance of industry norms. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.

Anti-Money Laundering Workshop

Summary

The *Anti-Money Laundering Workshop* is offered to examiners both as an agency-only school and through the FFIEC as an interagency school. It was developed by the FFIEC member agencies.

Objectives

At the conclusion of the school, examiners should be able to:

- Recognize potential money laundering risks confronting financial institutions
- Assess the adequacy of financial institution policies, procedures, and practices in complying with Anti-Money Laundering/Bank Secrecy Act Programs
- Maintain up-to-date knowledge of regulations and significant trends related to anti-money laundering through contacts provided

Target Audience

The *Anti-Money Laundering Workshop* is designed for participants with examination knowledge of the Bank Secrecy Act and related regulations and experience in reviewing a financial institution's BSA program for compliance. A minimum requirement is to be familiar with Anti-Money Laundering review procedures, but experienced subject matter experts should **NOT** attend.

Length

The 3½-day classroom portion includes lecture and interactive case studies. It begins on Tuesday at 9:00 a.m. and ends Friday at 12:00 noon. The CD contains reference material and will be distributed at the conclusion of the class. The normal class day is 8 hours.

Pre-Course Study

The examiner's Washington training office will mail pre-course reading material to be completed before attending. This will be mailed approximately 4 weeks in advance of the session. The pre-course work should take approximately 4 hours.

Course Modules

Module 1 - Introduction and Overview

Module 2 - Customer Due Diligence/Customer Identification Program

Module 3 - Wire Transfers

Module 4 - Foreign Correspondent Banking

Module 5 - Private Banking

Module 6 - Nonbank Financial Institutions

Module 7 - The Office of Foreign Assets Control (OFAC)

Module 8 - Suspicious Activity Reporting

Module 9 - Examinations

Module 10 - Financial Crimes Enforcement Network (FinCEN)

Module 11 - Anti-Terrorist Financing (FBI)

Module 12 - Management Information Systems

Module 13 - Utility of Suspicious Activity Report (SAR) Data for Investigations

Asset Management Forum

Summary

The *Asset Management Forum* is an annual event designed to provide those examiners responsible for the supervision of trust and asset management activities with insight and information relating to developments in this industry. A major emphasis is on existing and emerging risks. This forum includes such diverse topics as legislative and other regulatory changes, technological advances, new product and service developments, and operational controls and audits. Portions of the forum may be divided into break-out sessions in order to allow attendees to focus on their specific interests. Industry experts make the presentations, supported by senior regulatory staff involved in trust and asset management functions. Topics vary from year to year on the basis of the needs expressed by examiners and on industry and regulatory changes.

Objectives

Upon completing this forum, attendees will have current information that will be immediately applicable to the examination and risk assessment of trust and asset management activities.

Target Audience

The conference is intended for trust and asset management examiners with a good working knowledge of all aspects of the supervisory process for these activities. Those with responsibility for incorporating risk from these activities into overall supervisory plans and risk assessments for institutions also benefit from the curriculum.

Prerequisites

Individuals who attend this forum should possess basic trust examination education or experience.

Length

The length of the *Asset Management Forum* varies but is typically 3 days. The event is often followed by separate agency break outs. The normal class day is 8 hours.

Topics

The forum is designed to provide insight and information on current and emerging issues. Therefore, the topics and speakers are refreshed annually. The agenda for each year's event will be available approximately 45 days prior to the event.

Basic International Banking Self-Study CD

Summary

The *Basic International Banking Self-Study* course is taken at the examiner's office through the use of a self-study CD and supplemental reading material. It provides examiners with a basic understanding of the structure of international banking activities in banks and how such activities are supervised by the banking agencies. The material is designed to provide examiners who have little, if any, international examining responsibilities with a basic understanding of international banking supervisory matters, and is a prerequisite for the *International Banking School*. In addition, with the class offered in a CD format it also can be used by examiners as a reference tool during examinations.

Objectives

At the completion of the course, a participant will be able to:

- Outline the structure of international banking operations
- Apply a working knowledge of major international banking laws and regulations to the examination process
- Distinguish the types of international loans and the key features of a syndication and differentiate the risks of international lending from domestic lending
- Identify the policies and procedures that should be implemented by a bank active in international lending
- Distinguish the various kinds of foreign lending by borrower and geographics

- Recognize the range of trade finance instruments commonly used by banks, the associated risks, and the controls that should be in place to manage these risks, identify foreign exchange risks, strategies for risk and exposure management, and exposure information systems
- Describe common capital market instruments, issued in various international markets, such as Eurobonds and medium-term notes; and understand how the risks of an international security differ from a domestic instrument
- Differentiate between derivative contracts, including over-the-counter and exchange-traded, option-based and forward-based, and understand key risks applicable to these off-balance-sheet instruments

Target Audience

Basic International Banking Self-Study is intended for examiners or analysts who fall within one of the following categories:

- ♦ Newly commissioned examiners who frequently have responsibilities for international banking operations
- ♦ Examiners or analysts with little or no prior international banking experience

Capital Markets Conference

Summary

The *Capital Markets Conference* is intended for those examiners who must integrate the risks inherent in capital markets activities into the overall risk profile of an institution during an examination or review of the institution. Examiners-in-charge and review examiners who need to develop greater familiarity with capital markets products, risks, and issues are examples of the intended audience for this conference.

Objectives

At the completion of this course, a participant should be able to:

- Identify the characteristics, uses, and risks of capital markets activities currently in widespread use
- Analyze the impact on individual financial institutions of accounting rules and capital requirements
- Articulate earnings and market risk exposure for interest rate risk positions
- Discuss key elements in interest rate risk models
- Discuss liquidity
- Describe the fundamental principles of hedging
- Describe recent regulatory and accounting issues with securitization
- Address issues associated with alternative funding sources

Target Audience

The *Capital Markets Conference* is designed for "seasoned" examiners, examiners-in-charge, review examiners, and surveillance examiners who need to develop more knowledge in the capital markets area. Participants should have basic skills in evaluating asset/liability management techniques. **Capital markets specialists and examiners who have had extensive advanced capital markets training should not attend this conference.**

Length

The *Capital Markets Conference* is 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal conference day is 8 hours of lectures and discussions. The normal class day is 8 hours.

Topics

Topics are likely to change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ♦ *Measuring and Managing Interest Rate Risk*
- ♦ *Asset-backed Securities - Credit, Interest Rate, Market, Liquidity Risks*
- ♦ *Term Structure of Interest Rates*
- ♦ *Uses of Futures and Options*
- ♦ *Interagency Policy Statements*
- ♦ *Recent Market Developments/Products*
- ♦ *Accounting for Capital Market Products*
- ♦ *Assessment and Review of Risk Models*
- ♦ *Funding/Liquidity Issues*

Requirements

Attendees should bring a calculator capable of solving present value problems.

Capital Markets Specialists Conference

Summary

The *Capital Markets Specialists Conference* is intended for those examiners who specialize in capital markets examinations activities at financial institutions and routinely assess these inherent risks in conjunction with the overall risk profile of an institution during an examination or review of the institution. Capital Markets Specialists and Review Examiners that review complex capital market products, risks, and issues are examples of the intended audience for this conference.

Objectives

After attending this conference, attendees will be updated on current issues relevant to capital markets and regulatory issues. Attendees should gain increased awareness of financial instruments used in the markets and enhanced methods to evaluate the inherent risks that these instruments may possess.

At the completion of this course, a participant should be able to:

- Identify the risks, benefits, advantages and disadvantages of capital markets instruments
- Analyze the impact of accounting rules and capital requirements on financial institutions
- Discuss key elements related to interest rate risk models
- Discuss and describe hedging activity
- Analyze risks associated with alternative funding sources

Target Audience

The *Capital Markets Specialists Conference* is designed for examiners, review examiners, and surveillance examiners who need to develop more in-depth specialized knowledge in the capital markets area. Participants should be capital markets specialists and examiners who have had advanced capital markets training.

Length

The length of the *Capital Markets Specialists Conference* varies but is typically 3 days. The event is often followed by separate agency breakouts. The normal conference day is 8 hours of lectures and discussions.

Topics

Topics will change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- ♦ *Asset/Liability Management*
- ♦ *Credit, Interest Rate, Market, and Liquidity Risks*
- ♦ *Fixed income market developments - economic environment*
- ♦ *Structured Financing*
- ♦ *Asset Based Structures*
- ♦ *Futures and Options*
- ♦ *Interagency Policy Statements*
- ♦ *Market Developments and Products*
- ♦ *Regulatory and Accounting Issues*
- ♦ *Risk Modeling and Simulations*
- ♦ *Credit Rating Strengths and Weaknesses*
- ♦ *Funding/Liquidity Issues*



FFIEC is registered with CFA Institute as an Approved Provider of professional development programs. The Capital Markets Specialists Conference is eligible for 18 PD credit hours as granted by the CFA Institute.

Cash Flow Construction and Analysis from Federal Tax Returns

Summary

Cash Flow Construction and Analysis from Federal Tax Returns, instructed by Paul Buker, enables examiners to use federal tax returns to generate an accurate cash flow statement for an individual or business entity, to defend the cash flow statement construction, and to use the results in the credit analysis process.

Specific consideration has been given to increasing the participants' credit analysis capabilities while minimizing the time required for the credit review process. This is accomplished in part by providing the participant with a packet of job aids and worksheets to simplify the conversion of some of the more complicated tax returns into useful cash flow information.

Objectives

At the completion of the conference, participants will be able to:

- Explain how using the taxable AGI as a starting point for cash flow worksheets can lead to false cash flow calculations
- Review and critique a bank's cash flow analysis documentation to determine validity
- Identify the interrelationships of a borrower's various financial activities as presented on a tax return
- Identify information vital to a cash flow analysis within the tax return
- Convert items of income or loss per the return to their actual cash flow equivalent
- Analyze pass-through entity return information: partnerships, S corporations, estates, trusts, and REMICs, and explain the effects on a borrower's cash flow
- Use worksheets to quickly convert tax return line items into an accurate cash flow statement.

Target Audience

This program is intended for seasoned commissioned examiners who regularly review commercial credits.

Length

Cash Flow Construction and Analysis from Federal Tax Returns is a 2½-day course that begins Tuesday 8:00 a.m. and ends Thursday at 10:30 a.m. The normal class day is 8 hours.

Pre-Course Study

Each participant's training department will mail a pre-course reading assignment approximately 6 weeks prior to the session. The estimated time to complete the assignment is approximately 4 hours.

Note: This course complements *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* and *Advanced Commercial Credit Analysis*; however, none of the courses are prerequisites for each other. *Advanced Cash Flow Concepts and Analysis: Beyond the Numbers* focuses on cash flow traps, debt capacity analysis, tools to get behind the numbers, and cash flow alerts to identify accounting frauds in advance of industry norms. *Advanced Commercial Credit Analysis* develops cash flow analysis and loan structuring skills for evaluating commercial credits. *Cash Flow Construction and Analysis from Federal Tax Returns* provides skills to construct a cash flow statement from individual, Sub S Corporations, and partnership returns.

Requirements

Attendees must bring a calculator to class.

Community Financial Institutions Lending Forum

Summary

The forum addresses credit-related issues impacting financial institutions whose asset size is under \$1 billion. The training is intended to heighten examiner awareness and increase knowledge regarding important or emerging credit-related topics confronting the financial institution and regulatory communities.

Objectives

After attending the forum, participants will be able to:

- Discuss current economic conditions that affect institutions' lending activities and borrowers' repayment capacity
- Identify important or emerging lending-related trends and risks
- Apply developed skills, practical solutions, and effective approaches for managing lending-related risks
- Discuss applicable supervisory and industry changes

Target Audience

The *Community Financial Institutions Lending Forum* is designed for commissioned or equivalent tenured field examiners who regularly examine or review the activities of community financial institutions with total assets under \$1 billion.

Length

Community Financial Institutions Lending Forum lasts 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

Pre-Course Study

Depending on the agenda, participants may be required to complete pre-course readings or a pre-course assignment to prepare for attendance at the forum. As necessary, each participant's training department will distribute pre-course materials to the participant approximately 6 weeks prior to the forum. The estimated time to complete any required pre-course study will be specified in the Memo to Attendees.

Requirements

Attendees should bring a calculator capable of solving present and future value problems.

Topics

The forum is designed to provide insight and information on a variety of current and emerging lending-related topics. Presenters include both industry experts and regulatory personnel. Topics vary from year to year based on feedback from prior participants, needs expressed by examiners, industry and regulatory changes, and discussions with an interagency development group. The agenda for each forum should be available approximately 30 days prior to the session. The following topics are likely to be addressed:

- *Current Economic Conditions and Associated Trends in Lending*
- *Regulatory Guidance Updates*
- *Current Techniques and Trends in Analyzing Debt Payment Capacity*
- *Allowance for Loan and Lease Losses*
- *Problem Credit Characteristics and Identification Techniques*
- *Current Real Estate Appraisal Topics*

Financial Crimes Seminar

Summary

The *Financial Crimes Seminar* provides commissioned examiners with a higher level of knowledge of fraudulent schemes and insider abuses.

Objectives

At the completion of the course, a participant should have gained knowledge in:

- Current financial crimes impacting financial institutions
- Fraud investigation techniques
- Recognizing public company financial statement misrepresentations
- Potential insider abuse

Target Audience

Each participant should be a commissioned safety and soundness examiner.

Length

Financial Crimes Seminar is a 3½-day conference. The seminar begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

Topics

The seminar topics should reflect the current fraud environment in the financial industry. Instructors may include staff from the FBI, the SEC, FinCen, Department of Justice, various regulatory agencies, industry specialists, accountants, and attorneys.

Topics may include:

- ♦ *Mortgage Fraud*
- ♦ *Identity Theft*
- ♦ *Effective Documentation*
- ♦ *Financial Statement Misrepresentation*
- ♦ *Securitization Fraud*
- ♦ *Embezzlement*
- ♦ *Anti-Money Laundering*
- ♦ *Commercial Loan Fraud*
- ♦ *Other Emerging Financial Crimes*

Fraud Identification Training

On-Line Course

Summary

This course is offered through a relationship with the Conference of State Banking Supervisors and eCollege.

Fraud Identification Training provides examiner staff with information on financial institution practices/procedures that are considered red flags, potential examination procedures that would identify such weaknesses, and the corrective measures needed to improve them.

Objectives

At the completion of the course, a participant should be able to:

- Identify weaknesses in internal controls that may lead to fraud;
- Recognize "red flag" issues that may require additional examination procedures;
- Identify measures that could correct internal control weaknesses noted;
- Recognize the importance of investigating weak internal control programs; and
- Have the opportunity to question the instructor and other participants who may have been involved in investigating fraud cases through threaded discussion groups.

Target Audience

Each participant should be a safety and soundness examiner with 1–3 years of experience. **This course is not intended for seasoned safety and soundness examiners.**

Length

Fraud Identification Training is an on-line, interactive course constructed to be completed over 5 weeks. The actual time necessary to complete the course activities is approximately 5 hours per week (total 25 hours), and all activities can be done via a dial-up 56K modem.

Interaction with other course participants will be available through the use of threaded discussion boards on each individual case study and other topics throughout the course

Topics

The seminar is largely comprised of case studies drawn from member agencies. The instructor will be a seasoned financial institutions regulator and will facilitate discussion throughout the course.

Case study topics include

- ♦ *"Land flip" schemes*
- ♦ *Money Laundering*
- ♦ *Wire Transfer Fraud*
- ♦ *Check Kiting*
- ♦ *Insider Fraud*
- ♦ *Other Topics of Current Interest*

Registration

Participants should apply to their respective agency training offices for approval to take this course.

Specific information regarding on-line registration will be sent to each individual participant upon agency approval.

Fraud Investigations Symposium

Summary

Fraud Investigations Symposium provides a forum for fraud detection specialists to discuss important fraud detection issues and develop recommendations for policies and procedures to address those issues.

The Symposium will be held on an as-needed basis. A different theme will be selected for each session. **The theme for 2006 is “Tracing Funds.”** Themes will be decided by the FFIEC Task Force for Examiner Education in consultation with their respective agency subject matter experts or supervisors.

This program is different than most courses in that the flow of information is expected to come from the participants to the program leader.

Objectives

At the completion of this course, a participant will have helped develop a white paper which:

- Defines the regulatory/examination issues involved in the symposium topic
- Outlines recommended changes in regulations or examination procedures
- Makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

A participant should also gain increased working knowledge of theme-related fraud schemes and investigation and documentation methods.

Target Audience

The *Fraud Investigations Symposium* is aimed at fraud detection career path examiners who are involved in fraud examination. Selection will be made by member agency Fraud Investigations Symposium working group representatives. It is anticipated each agency will furnish three participants with qualifications to assist in producing a white paper on the selected theme. Agencies are also encouraged to name one alternate.

Potential participants desiring information regarding conference themes and agency working group representation may contact the designated FFIEC Program Administrator.

Prerequisites

Participants should have an active interest in discussing and developing recommendations for Tracing Funds examination guidelines. Participants may be asked to lead discussion groups and to outline or draft the white paper.

A significant portion of the 2 weeks will be devoted to developing and writing a white paper that could become the basis of a policy recommendation.

Length

The *Fraud Investigations Symposium* is a 10-day program. At least one participant from each agency will be required to stay a second week for the completion of the white paper. The normal class day is 8 hours.

The White Paper developed from the 2003 Symposium, entitled "[The Detection, Investigation, and Deterrence of Mortgage Loan Fraud Involving Third Parties: A White Paper](http://www.ffiec.gov/exam/education.htm)," is available on the FFIEC web site along with the 2002 White Paper, entitled "[The Detection, Investigation, and Prevention of Insider Loan Fraud: A White Paper](http://www.ffiec.gov/exam/education.htm)." <http://www.ffiec.gov/exam/education.htm>

Information Technology (IT) Conference

Summary

The *Information Technology Conference* is designed to update IT examiners on current and prospective developments, systems controls, and security. Speakers for this program are nationally recognized industry leaders and senior staff members from regulatory agencies.

Objectives

At the completion of this course, a participant should be able to:

- Identify the risks, benefits, advantages, and disadvantages of emerging technologies
- Discuss implementing leading-edge financial institution and data processor hardware and software, including security issues.

Target Audience

The *Information Technology Conference* is directed at IT examiners and safety and soundness examiners with IT examination responsibility as identified by each agency.

Length

The *Information Technology Conference* length may vary, but is likely to be 3 days. The normal class day is 8 hours. The event may be followed by separate regulatory agency break outs.

Information Technology (IT) Symposium*

Summary

The *Information Technology Symposium* provides a forum for senior IT examiners to discuss important information technology issues and to develop recommendations for policies and procedures to address those issues.

A major theme will be announced for each session and outside experts are usually invited to lead discussions or serve as a resource.

This program is different than most courses in that the flow of information is expected to come from the participants to the program leader.

Objectives

At the completion of the symposium, the participants will develop a “white paper” on regulatory/examination issues involved in the symposium topic, which:

- Outlines recommended changes in regulations or examination procedures
- Makes recommendations to the supervision officials of the member agencies on the basis of the conclusions reached in the symposium

Participant Profile

The *Information Technology Symposium* is aimed at IT examiners who are heavily involved in examining complex data processing centers. Participants must possess a strong technical background in IT examinations. At least 5 years of IT examination experience is desirable. Regional offices must carefully screen participants to ensure that all nominees meet these requirements. Substitute participants must meet the same experience standards.

Prerequisites

A significant portion of the symposium will be devoted to developing and writing a “white paper.” Participants should have an active interest in discussing and developing recommendations for IT examination procedures. Participants may be asked to lead discussion groups and to outline or draft policy recommendations.

Length

The *Information Technology Symposium* is a 4½-day program. It begins on Monday at 9:00 a.m. and ends on Friday at 12:00 noon. Some participants may be required to stay a second week, per their agencies' instructions, to complete the “white paper.”

*** Joint project with the Task Force on Supervision on an as-needed basis.**

The information from the 2004 Symposium, “Risk Management of Free and Open Source Software,” was released in October 2004 as FFIEC guidance.

The information from the 2003 Symposium, “New Developments in Data Center Operations,” was used to update the FFIEC IT Examination Handbook.

The information from the 2002 Symposium, “Business Continuity Planning,” was used to update the FFIEC IT Examination Handbook Booklet on Business Continuity Planning.

The product from the 2001 Symposium, “Authentication in an Electronic Banking Environment,” is available on the FFIEC website

Instructor Training School

Summary

The *Instructor Training School* is designed to equip an instructor with fundamental teaching and coaching skills. Basic lecturing techniques, questioning techniques, lesson planning, and the preparation of audiovisual aids will be covered.

Objectives

Participants will be able to:

- Use the two principles of instruction, differentiate the needs of the instructor and the learner, and identify learning styles and other factors that can affect learning
- Describe the Instructional Systems Design process and how that process can be used to develop a lesson plan, write learning objectives, and use a checklist to prepare the room
- Identify types of questions, use various questioning techniques, and identify techniques for handling student questions and comments in oral presentations
- Use effective presentation techniques and foster group dynamics and promote participation
- Respond to "difficult" students in the classroom and apply the principles of classroom management
- Coach others in both an individual and group environment

Target Audience

Instructor Training School is intended for those who have been selected to teach in agency or FFIEC courses.

Prerequisites

The participant is required to prepare, deliver, and evaluate the following presentations:

- 5-minute lecture
- 15-minute lecture with questions, part of which will be videotaped
- 15–20 minute group facilitation

Some additional preparation may be required. Students may desire to bring their laptop computers for use in completing the preparation.

Length

The *Instructor Training School* is a 4½-day course involving extensive class participation. It begins on Monday at 9:00 a.m. and ends on Friday at 11:30 a.m. The normal class day is approximately 8 hours of class activities including the presentations by the participants.

Pre-Course Study

Each participant is required to bring familiar lesson plans or resource materials that can be used as a basis for the three class presentations. These presentations should be on the same topic. Each participant is strongly encouraged to use a lesson plan or materials from the course the participant is scheduled to teach. If no lesson plan is available, the participant should bring materials on a familiar topic to develop and present during the school. No lesson plans or research facilities are provided for participant presentations.

Post-Course Assignment

In order to reinforce new skills, the participant should be assigned to teach as soon as possible after completing this course.

International Banking Conference

Summary

The *International Banking Conference* updates participants on the latest developments in international banking activities. Supervisory issues and policies of the bank regulatory agencies will be discussed.

Objectives

Upon completion of this conference, attendees will be updated on current issues in international banking and the regulatory responses to these developments.

Target Audience

The intended audience is senior international examiners or senior examiners-in-charge as identified by each agency.

The conference is intended only for those examiners who regularly have senior responsibility in the international banking or financial arenas.

Prerequisites

Participants must have attended the *International Banking School* or must be in charge of examinations of operations that engage in international banking activities.

Length

The *International Banking Conference* length may vary but is usually 2–3 days. The normal class day is 8 hours.

Topics

The topics have not yet been chosen; however, the following topics were presented in the previous conferences:

- ♦ *Supervisory Perspective on International Banking presented by a top regulatory official*
- ♦ *Foreign Banking Liquidity Issues*
- ♦ *Trends in International Lending and Capital Markets*
- ♦ *Country Risk Issues*
- ♦ *BASEL II*
- ♦ *Foreign Banking Operations*

NOTE:

The *International Banking Conference* is offered on an as-needed basis, typically every other year, as determined by the Task Force on Examiner Education. The most recent conference was held in July 2004. **The next scheduled conference will be in 2006.**

Space is limited for this conference and those who do not have regular international examination responsibilities should not attend.

International Banking School

Summary

The *International Banking School* is designed to enhance the participants' knowledge of international banking activities in order to improve examination skills required in supervising these activities. The *International Banking School* is taught in a classroom setting in an interactive learning environment.

Objectives

At the completion of the course, a participant will be able to:

- Distinguish the risk characteristics of common global securities in the proper economic and managerial context
- Analyze the risk characteristics of common derivative instruments from an asset/liability management perspective
- Analyze the various types of foreign exchange (FX) transactions, including FX derivatives
- Evaluate the risks associated with foreign exchange, such as exchange rate risk, interest rate risk, liquidity risk, credit risk, and business risk
- Evaluate FX risk control policies, risk management systems, and business procedures to control risk
- Analyze trade finance activities, including import letters of credit, similar instruments and medium term financing facilities, and evaluate the associated risks and controls
- Analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community
- Provide strong support examining small-scale international banking activities

is designed for examiners who have supervisory responsibilities for regional or multinational banks that are actively engaged in international banking activities and U.S. branches and agencies of foreign banks. This course is considered inappropriate for agency staff with no international supervisory responsibilities.

Prerequisites

In order to obtain a class with a uniform working knowledge of international banking and greater class participation, participants must have ongoing examination responsibilities in international banking that occur at least occasionally, if not frequently. It is recommended that attendees with an international banking background have at least 6 months to 1 year prior examination experience. Examiners who have had only occasional international responsibilities are required to have completed the FFIEC *Basic International Banking Self-Study* course. These prerequisites may be waived if the participant has **significant** international banking experience.

Length

The *International Banking School* is a 4½-day course. It begins on Monday at 8:30 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

Requirements

Participants should bring a calculator capable of calculating present value.

Target Audience

The *International Banking School* is a specialized course not intended for all bank examiners. Rather, it

Lead Investigation Specialists Workshop

**NEW**

Summary

The *Lead Investigation Specialists Workshop* provides intensive exposure for examiners with substantial investigation experience to further hone their skills in interviewing, investigation, documentation, and case management.

A case study, supplemented by brief presentations, will comprise the bulk of the instruction. The faculty will consist of lead examiner-investigators, FFIEC member agency attorneys, U.S. Department of Justice attorneys, and outside consultants serving as speakers, instructors, or coaches.

Objectives

At the completion of this course, participants will have enhanced their skills in the following areas:

- Interviewing
- Investigation
- Documentation
- Investigation Management

Target Audience

The *Lead Investigation Specialists Workshop* is aimed at examiners who have been intensely involved in several investigations and demonstrate leadership potential. Selection will be made by member agency development group representatives. Each session will comprise approximately 16 participants.

Prerequisites

Participants will be required to review a case study prior to their attendance and actively participate in the exercises. Some out-of-class work may be required.

Length

The *Lead Investigation Specialists Workshop* is a 4-day program. It starts on Monday at 1:00 p.m. and ends on Friday at 12:00 noon.

Payment Systems Risk Conference

Summary

The *Payment Systems Risk Conference* addresses risks related to payment systems, identifies strategies and methods used to mitigate these risks, and provides examiners with knowledge and information that can be incorporated into the supervisory process. The conference also addresses technological and emerging issues and their impact on financial institutions and regulatory communities.

Objectives

After attending the conference, participants will be able to:

- Apply knowledge and effective approaches for managing payment systems risk in the supervisory process
- Identify and discuss important and emerging risks to payment systems
- Discuss applicable systemic, regulatory, and industry perspectives

Target Audience

The *Payment Systems Risk Conference* is designed for commissioned or equivalent tenured field examiners and regional/district office staff who have an interest and a need for developing a better understanding of the risks associated with payment systems.

Length

The *Payment Systems Risk Conference* is a 3½-day conference that begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

Topics

The conference is designed to provide insight and information on a variety of payment systems topics. Presenters include both industry experts and regulatory personnel. Topics vary from year to year on the basis of feedback from prior participants, needs expressed by examiners, industry and regulatory changes, and discussions with an interagency development group. The agenda for each forum should be available approximately 30 days prior to the session. As scheduling permits, conference presentations will begin with a micro perspective on payment systems, progress to a macro viewpoint, and conclude with an approximately 1.5-day focus on emerging issues. The following are examples of the types of topics that may be addressed:

- Overview of Retail and Wholesale Payment Systems
- Discussion of Retail Issues such as:
 - Automated Clearing House (ACH)
 - Merchant Processing
- Discussion of Wholesale Topics such as:
 - FedWire
 - Society for Worldwide Interbank Financial Telecommunication (SWIFT)
 - Clearing House Inter-Bank Payments System (CHIPS)
 - Continuous Linked Settlement (CLS)
- Risk Mitigation Topics such as:
 - Daylight Overdrafts
 - Fraud Prevention
- Regulatory Changes and Other Emerging Issues

Real Estate Appraisal Review School

Summary

The *Real Estate Appraisal Review School* provides examiners with the knowledge and skills required to review a commercial real estate appraisal and to determine compliance with agency appraisal regulations and the standards in the Uniform Standards of Professional Appraisal Practice (USPAP). Through case studies and exercises, examiners will evaluate real estate appraisal as a key component in the credit risk assessment process for commercial real estate loans. Examiners will learn how to identify the mistakes that appraisers most commonly make and to identify potential appraisal fraud.

Objectives

At the completion of the course, participants will be able to:

- Identify the USPAP content that applies during an appraisal review
- Identify and understand the agency regulations and guidelines that govern appraisals
- Identify the physical and economic relevant property characteristics that affect the real estate collateral
- Use deductive reasoning to identify inappropriate appraisal procedures
- Use deductive reasoning to validate the consistency of information in an appraisal report
- Describe various types of appraisals and appraisal reports
- Explain the appraisal valuation process
- Describe the three approaches to value
- Identify common appraisal errors
- Identify potential fraud in appraisals
- Calculate estimated values based on revised appraisal assumptions
- Recognize and identify the strengths and weaknesses of emerging automated valuation tools
- Locate the appropriate reference to provide to the institution when citing problems in an appraisal report

Target Audience

The *Real Estate Appraisal Review School* is designed for examiners with experience evaluating commercial real estate loans who need enhanced skills in reviewing and analyzing commercial real estate appraisals.

Prerequisites

Completion of all pre-course assignments and a basic understanding of income-producing real estate lending are prerequisites for this course.

Specific agency guidance: OTS examiners may attend with 18–24 months of general examination experience. FDIC examiners should have approximately 4–5 years of general examination experience.

Length

The *Real Estate Appraisal Review School* is a 4½-day course. It begins on Monday at 9:00 a.m. and concludes on Friday at 12:00 noon. The normal class day is 8 hours.

Pre-Course Study

This course requires attendees to complete several paper-based self-study modules and complete and submit to the FFIEC a pre-course assessment before attending the classroom session. **The modules and the assessment will require approximately 40 hours to complete** and they provide the foundation of the appraisal preparation theory and process. This volume of pre-course material allows for the most efficient use of the in-class workshop time where the focus will be on the appraisal review process and case studies.

At an additional cost, the self-study material can be completed using an on-line format that requires approximately 8 hours per week for 5 weeks. Participants should apply to their training offices for approval to take the on-line course.

Real Estate Appraisal Review Self-Study Course (Also Available On-Line)

Summary

The *Real Estate Appraisal Review Self-Study Course* provides financial institution examiners with a foundation for further basic training in real estate appraisal preparation theory and process. Participants will review written materials, review case studies, and complete a self-assessment at the conclusion of the course.

Objectives

At the completion of the course, a participant should be able to:

- Explain the USPAP requirements and the federal regulations governing appraisals
- Describe the various types of appraisal reports
- Explain the appraisal valuation process
- Describe the three approaches to value
- Identify some common appraisal errors

Target Audience

The *Real Estate Appraisal Review Self-Study Course* is designed to augment examiners' understanding of the appraisal review process and enhance their ability to review commercial real estate appraisals.

Length

The self-study course will require approximately 40 hours to complete.

Modules

- ♦ *Introduction and Self-Assessment*
- ♦ *Agencies' Need for Appraisals*
- ♦ *Concepts of Value*
- ♦ *Highest and Best Use Aspects*
- ♦ *Cost Approaches to Value*
- ♦ *Income Approach to Value*
- ♦ *Case Study*

Requirements

Participants will need a calculator that performs present value and future value calculations.

Note: While not required, this course should ideally be followed by the onsite Real Estate Appraisal Review School. Correspondingly, those who have attended the Real Estate Appraisal Review School should not take this class. This self-study course is the same as the pre-course work for that class.

Participants should apply to their respective agency training offices for approval to take this course. Specific information regarding on-line registration will be sent to each individual participant upon agency approval.

Supervisory Updates and Emerging Issues

Summary

The *Supervisory Updates and Emerging Issues* conference seeks to provide authoritative analyses of emerging issues confronting the regulatory and banking communities. Each session will provide discussion on important or emerging topics. Experience has shown that the content of these sessions leverages examiners' knowledge by exposing them to subject matter experts possessing the latest information. Since knowledge at this level is difficult to obtain in the field, examiners can more readily identify and discuss emerging risks at their institutions.

Objectives

Upon completing this course, participants will be able to:

- Discuss current trends and emerging issues
- Identify key risk issues
- Recommend best practices

Target Audience

Supervisory Updates and Emerging Issues is intended for commissioned examiners of any tenure.

Length

The *Supervisory Updates and Emerging Issues* conference lasts for 3½ days. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon.

Topics

Topics for the *Supervisory Updates and Emerging Issues* conference are based on feedback from prior participants and discussions with an interagency development group.

Testifying School

Summary

Testifying School participants learn to present findings as an expert witness through depositions and in-court testimony. Participants testify in mock trial role play, with attorneys serving as instructors, judges, prosecutors and defense attorneys. Direct and cross examination techniques will be used. Constructive feedback will be given by other participants, as well as instructors from the U.S. Department of Justice and a retired federal judge. Each participant will receive a videotape of his/her deposition and in-court testimony.

Objectives

At the completion of this course, a participant will be able to:

- Present evidence in a highly credible manner at depositions, hearings, and trials
- Respond appropriately to defense attorney cross examination tactics and questions from the presiding judge
- Recognize the aspects of proper documentation of criminal referrals

Target Audience

Testifying School is designed for commissioned examiners who are scheduled to testify or are likely to testify in the near future. It is not an automatic follow-up to the FFIEC *Financial Crimes Seminar*. *Testifying School* is intended as a supplement to preparation provided by agency attorneys. Only examiners who expect to testify are encouraged to apply. Exceptions must be reviewed by the nominee's training headquarters.

Prerequisites

Each attendee is expected to have a very good working knowledge of the case study, **prior** to the start of the course, **and to bring the notebook to class.**

Length

Testifying School is a 3½-day course. It begins on Tuesday at 9:00 a.m. and ends on Friday at 12:00 noon. The normal class day is 8 hours.

Pre-Course Study

The FFIEC will mail the course notebook containing the case study and documentation to each participant approximately 3 weeks prior to the beginning of the course. Participants who do not have a good working knowledge of the case **prior** to the course should not attend. The case study requires approximately 6 hours of study time.

Post-Course Assignment

It is expected that the participant will testify at a deposition, hearing, or trial soon after completion of the course.

Topics

Topics may vary somewhat from session to session. It is, however, expected that the following topics will be covered:

- ♦ *Effective Testimony*
- ♦ *Testifying in Depositions*
- ♦ *Testifying in a Hearing*
- ♦ *A Judicial Perspective*

FFIEC InfoBase and Training CDs

Overview

During 1999, the FFIEC Examination Council requested the FFIEC Examiner Education Office develop new methods to provide information or training quickly to examiners when a new interagency policy statement or regulation was issued. In response, the Examiner Education Office created the FFIEC InfoBase, a vehicle that will enable prompt delivery of introductory, reference, and educational training material on specific topics of interest to field examiners. The design format is appropriate for an easily updateable interagency web site. However, the initial distribution is being made on CD to accommodate examiners with limited Internet access. The current CD thus represents a hybrid browser-based delivery method that may easily be transported to an updateable interagency web site in the future when more examiners have access.

CD Contents

The CD contains the browser-based "web site" that will provide the user with structured access to training and reference materials. The Task Force on Examiner Education approves selected topics. The CD content is guided by FFIEC working groups comprised of representatives of the agencies with in-depth knowledge of the topic. Reference information is available in portable document format (PDF). In addition to agency policy statements, examination procedures, and other reference documents, the CD contains training modules delivered via narrated PowerPoint presentations. A multimedia PC using a standard web browser with Macromedia Flash and Adobe Acrobat Reader is required for use.

The FFIEC Examiner Education Office welcomes all comments, suggestions, and observations concerning this InfoBase. E-mail should be directed to FFIECInfoBase@frb.gov.

Distribution

The Task Force on Examiner Education establishes the number of CDs to be distributed to each agency as topics are identified and developed.

PUBLIC TOPICS

Check 21 InfoBase

The Check 21 InfoBase was issued in October 2004 and is designed to provide resources to understand the compliance implications of the Check Clearing for the 21st Century Act (Check 21).

The InfoBase contains a training presentation that provides a concise overview of the Act and its implementing regulation, an example of check processing under Check 21, information on consumer compliance and other requirements, and an explanation of the examination concepts for consumer compliance issues.

Privacy of Financial Information

The *Privacy of Financial Information CD* was issued in July 2001 and contains a series of reference materials, regulations, examination procedures, and 12 narrated slide presentations on the GLBA Financial Privacy Regulations. The Interagency Compliance Examination Procedures documentation is provided in HTML format with a concurrent frame containing links to specific sections of the regulation relative to the examination procedure.

REGULATORY-ONLY TOPICS

Subprime Lending

The *Subprime Lending CD* was first distributed in April 2000. The CD contains approximately 500 pages of information including agency policy statements, examination procedures, and other reference documents. This CD was updated in August 2002 and was distributed to the agencies for posting on their internal web sites.

Supervisory Updates and Emerging Issues InfoBase

The Supervisory Updates and Emerging Issues InfoBase was issued in November 2004.

Each year, the FFIEC sponsors a Supervisory Updates and Emerging Issues Conference to provide authoritative analyses of emerging issues confronting the regulatory and banking communities. The content offered in the conference helps examiners to leverage their knowledge and stay abreast of information that is, because of its specialized nature, very difficult to distinguish through other research channels.



2006

Federal Financial Institutions Regulatory Agencies

Federal Deposit Insurance Corporation

The Federal Deposit Insurance Corporation's (FDIC) Corporate University (CU) is responsible for developing and conducting examiner education programs. These programs are provided for the FDIC's Division of Supervision and Consumer Protection (DSC) examiners and offered to state banking departments, foreign central banks, and other banking agencies on a space-available basis.

Registration Procedures

Each May, the FDIC asks states and other banking agencies for an estimate of the number of slots needed in selected FDIC (and, for states only, FFIEC) programs, with a response deadline in late June. Supported slots are awarded on the basis of space and resources available, and FDIC priorities. In mid-to-late fall, awarded slots in FDIC courses are communicated to agencies along with a request for names. Sponsored slots in FFIEC programs are not communicated until sometime later when the FFIEC's schedule is firm. Unless the FDIC hears back very quickly to the contrary, all slots are considered "confirmed."

Also in May, the FDIC requests from foreign central banks the number of slots needed in Introduction to Examinations School, Financial Institution Analysis School, Loan Analysis School, and Examination Management School. Slots are awarded on the basis of available space and communicated to the foreign central banks in mid-to-late fall. All FDIC courses listed in this catalog are available to other federal banking agencies.

Cancellation Policy

Confirmed state student nominations in FDIC schools must be canceled at least 30 days prior to the start of a class. For cancellations made less than 30 days prior to the start of the class when no replacement student is offered, the state banking authority is responsible for an administrative fee. In the case of cancellations of confirmed FFIEC school slots sponsored by the FDIC, state banking authorities will be responsible for total tuition, unless the FDIC is able to fill the slot. Substitutions may be made in any course at any time.

Tuition

The FDIC charges tuition ranging from \$700 to \$900 for each of the four programs available to foreign central banks.

Lodging

Non-FDIC students have the option of staying at the FDIC's Student Residence during their training. Reservations are automatically made for state attendees; attendees from foreign central banks must submit a completed hotel registration form to reserve this lodging. Attendees from other banking agencies are responsible for making their own lodging arrangements.

Contact

General information requests, student cancellations, changes, or lodging questions should be directed to the FDIC Corporate University at the address below:

Federal Deposit Insurance Corporation

Corporate University

3501 Fairfax Drive, Room VS-3051
Arlington, VA 22226-3500

Telephone: (703) 516-1026
FAX: (703) 516-1002

www.fdic.gov

Introduction to Examinations School

This school addresses the fundamentals of bank supervision, basic bank analysis, report preparation, and Operations Manager training. The course consists of lectures coupled with in-class exercises, and a case study project simulating a bank examination. Participants work in small groups on the various in-class exercises and the case study. Upon completion of this course, participants will be able to independently perform the technical duties of an Operation Manager on a bank examination.

Course Length: One week CBI/pre-course combined with 2 weeks of in-class instruction.

Intended Audience: Pre-commissioned examiners with generally 6 months of bank examination experience.

Financial Institution Analysis School

This school addresses the on- and off-site analysis of financial institutions. The course consists of lectures and bank case studies with an emphasis on the analysis of CAELS components. Upon completion of this course, participants will be able to analyze the risk profile of an institution and provide written rationale (comprehensive outlines) to support conclusions.

Course Length: One week CBI/pre-course combined with 1 week of in-class instruction.

Intended Audience: Pre-commissioned examiners with generally 18 months of examination experience.

Loan Analysis School

This school introduces participants to the loan review process. The course utilizes computer-based instructional materials and an in-class workshop with a combination of lectures and case study exercises. Participants review and analyze loans, prepare and conduct loan discussions, make loan classifications, and compose loan write-ups. Upon completion of this course, participants will be able to analyze a commercial loan; assign appropriate loan classifications supported by loan write-ups; calculate and interpret cash flow and financial statements; assess the appropriateness of loan structure, pricing and documentation; and assess the adequacy of the ALLL.

Course Length: Approximately 80 hours of computer-based instruction and 1 week of classroom instruction

Intended Audience: Pre-commissioned examiners with generally 24 months of bank examination experience.

Examination Management School

This school simulates the bank examination process, beginning with the pre-examination functions and concluding with a completed Report of Examination. The course is an interactive case study in which the participant plays the role of an examiner-in-charge (EIC). Participants conduct meetings with the “bank president” and receive other examination data in order to assess and assign CAMELS ratings and an overall component rating.

Course Length: 40 hours of pre-course and 3 weeks of in-class instruction.

Intended Audience: Pre-Commissioned examiners with generally 30–42 months of bank examination experience.

Information Technology Examination Course

This course simulates the examination process for a non-complex information technology (IT) examination. Participants will serve as examiners-in-charge and will assess the technology risk associated with a case study bank. Upon completion of this course, participants will be able to describe bank information systems operations, identify weaknesses in management and internal controls, assess an institution's technology risk profile, and assign and support URSIT ratings.

Course Length: 8 hours of pre-course and 1 week in-class instruction.

Intended Audience: Financial institution examiners who will be examining small, non-complex bank data processing operations. Participants should have at least 2 years of examination experience and worked on a minimum of two IT examinations.

Federal Reserve System

Programs are open to banking supervision staff of the Federal Reserve System. Once all course prerequisites are complete, staff members from State agencies and other regulatory agencies are accommodated on a space-available basis.

Registration Procedures

The Federal Reserve System calendar is based on the needs of the banks. Once the schedule has been approved, enrollments are completed individually by the banks. State participants submit their registration forms to the banking supervision and regulation function's training coordinator at the Reserve Bank in which their state is located.

Foreign Supervisory Authorities

Most Federal Reserve System courses listed in this catalogue are not open to staff from foreign supervisory authorities. The Federal Reserve offers a somewhat different set of training programs specifically designed for and exclusively offered to staff and officials from non-U.S. supervisory authorities. For a copy of the Federal Reserve's international catalogue, please contact Mr. Sarkis Yoghourtdjian via e-mail at sarkis.yoghourtdjian@frb.gov or by phone at (202) 452-3193.

Cancellation Policy

There is no penalty for cancellation of participants in Federal Reserve System schools. In case of cancellation of confirmed FFIEC slots sponsored by the System, state banking authorities are responsible for total tuition regardless of the date of the cancellation if the slot cannot be sold.

Tuition

There are no tuition charges for System schools. The FFIEC and OCC programs have tuition fees, which are available from the Reserve Bank training coordinator or from the System Staff Development group.

Funding

A cost-sharing program including partial reimbursement of materials charges, tuition, and lodging and travel expenses for System and FFIEC program is available from each Reserve Bank.

Lodging

Lodging arrangements will be made for each participant registered for class. Specific lodging information will be included in the letter of introduction sent to each participant.

Pre-Course Materials

Pre-course materials for System programs are generally sent to participants approximately 8 weeks prior to the class. FFIEC and other agency schools' pre-course materials are sent to participants approximately 45 days prior to the session.

Each participant's Reserve Bank or agency is responsible for assuring that participants have satisfactorily completed all pre-course work in a timely manner. In addition to pre-course work, some courses have proficiency checks which must be completed and forwarded to the Reserve Bank training coordinator prior to attending the course.

Dress Code

Business casual attire is permitted for programs conducted at the System Examiner Training Center in Washington, DC. The first-day letter sent to each student prior to attending any System school addresses the dress code for the host site. In addition, the dress code for each Reserve Bank is summarized in the Administrative Procedures Manual on the Board's BS&R Website.

For further information, contact:

**Board of Governors
of the Federal Reserve System**
Division of
Banking Supervision and Regulation
System Examiner Education Program
M/S 350
Washington, DC 20551-0001
Telephone: (202) 973-5075
FAX: (202) 973-5062
www.federalreserve.gov

Banking and Supervision Elements	<p>This course addresses the skills and knowledge needed by all of the examination specialties, recognizes the underlying principles of risk management and integrated supervision, and encourages development of investigative and critical-thinking skills.</p> <p><i>Course Length:</i> 9½ days <i>Intended Audience:</i> Individual with approximately 3–6 months of on-the-job experience.</p>
Operations and Analysis School	<p>This course emphasizes common operational, analytical, and supervisory themes and techniques for banks, bank holding companies and U.S. operations of foreign banking institutions. It introduces risk concepts, both in theory and in a risk-focused supervision environment.</p> <p><i>Course Length:</i> 9½ days <i>Intended Audience:</i> Individuals with approximately 12–15 months of relevant experience.</p>
Credit Risk Analysis School	<p>This course provides an introductory learning experience designed to assist professional staff in developing analysis and examination skills applicable to a bank's credit function.</p> <p><i>Course Length:</i> 9½ days <i>Intended Audience:</i> Individuals with more than 18 months of experience in supervision.</p>
Bank Management	<p>This course enables the participants to more fully understand specific banking functions, gain an in-depth view of the operations of a banking institution from the banker's perspective, and participate in a computer model that simulates a real-world banking environment.</p> <p><i>Course Length:</i> 8½ days <i>Intended Audience:</i> Individuals with 30–42 months of experience in supervision.</p>

**Examination
Management**

This course enhances a participant's analytical, decision making, and leadership skills. Participants use critical thinking skills to perform financial analyses, evaluate risk management processes, and evaluate key aspects of an institution through integrated supervision.

Course Length: 4½ days

Intended Audience: Assistant Safety and Soundness, Information Technology, and Trust examiners with at least 3 years of relevant experience.

**Introduction to Consumer
Compliance Examinations**

This course offers an overview of consumer laws and regulations. The participants work with loan files and case studies and participate in a mock examination.

Course Length: 9½ days

Intended Audience: Individuals with 3–6 months of experience in consumer examinations.

**Consumer Compliance
Examinations II**

This course is designed for System examiners who work with residential real estate consumer laws and regulations.

Course Length: 4½ days

Intended Audience: Individuals with 6–12 months of consumer compliance examination experience.

CRA Examination Techniques

This course addresses detailed examination issues for small banks and exposes participants to the large bank and wholesale/limited purpose examinations procedures.

Course Length: 4½ days

Intended Audience: Assistant consumer compliance examiners who are preparing to write the Performance Evaluation for the CRA portion of a Consumer Compliance bank examination.

Fair Lending Examination Techniques

This course equips assistant level examiners with the skills and knowledge to plan and conduct a risk-focused fair lending examination.

Course Length: 8½ days

Intended Audience: Assistant consumer compliance examiners with 18 months of consumer experience.

Report Writing

This course enables examination staff to write a coherent report that communicates essential examination findings or other analytical material to the target audience and educates the target audience on any action that may be needed.

Course Length: 2 days, plus on-the-job training

Intended Audience: Assistant System examiners beginning to write examination reports.

Real Estate Lending Seminar

This seminar is designed for individuals whose typical job assignments involve the credit quality evaluation of loan portfolios. It is designed to provide a systematic approach to analyzing real estate acquisition, development, and construction lending facilities.

Course Length: 4½ days

Intended Audience: Individuals who have been commissioned as examiners of banks or bank holding companies.

Management Skills

This course teaches examiners more effective ways of dealing with co-workers and supervisors, as well as building teamwork in the examination setting. There are sections on problem solving and conflict resolution skills with particular emphasis placed on the common environment of regulatory personnel. The course is highly interactive and requires the student to participate in a substantial way.

Course Length: 4½ days

Intended Audience: Individuals with 30–42 months of experience in supervision.

Management Skills for Commissioned Examiners

This course teaches examiners and senior supervision staff more effective ways of building teamwork. There are sections on problem solving, negotiation, and conflict resolution skills. This course is highly interactive and requires substantial student participation.

Course Length: 3½ days

Intended Audience: Commissioned examiners and senior supervision staff.

Leadership Dynamics

This course provides commissioned examiners and senior supervision staff with an understanding of the leadership skills that are critical when operating within a changing environment.

Course Length: 3½ days

Intended Audience: Commissioned examiners and senior supervision staff.

IS Continuing Education School

This course provides advanced training related to the latest industry innovations or emerging technology control issues. It is presented by industry experts in financial information technology and controls. Different issues will be discussed at each session. The course will provide IS examiners with technical overviews of the functionality of specific platforms, risks and control issues, and relevant control recommendations. It will provide them with a framework for evaluating the safety and soundness of IS controls in financial institutions.

Course Length: 4½ days

Intended Audience: Individuals who have completed the System's Intermediate IS Examination School and have participated in several complex data processing examinations across a variety of technology platforms.

National Credit Union Administration

The National Credit Union Administration's (NCUA) Office of Human Resources, Division of Training and Development are responsible for developing and conducting all NCUA training programs. These programs are offered to NCUA employees, eligible state employees, and other government employees with whom the NCUA has an agreement.

Registration Procedures

NCUA Regional Employees

Contact your immediate supervisor or your regional Division of Management Services staff if you have any class or enrollment questions.

NCUA Central Office Employees

Contact your immediate supervisor or the Division of Training and Development.

Non-NCUA Participants

Contact NCUA's Division of Training and Development.

State Credit Union Regulatory Employees

Unless otherwise noted, state credit union regulatory employees are welcome to attend all NCUA classes.

The State Program Coordinator for NASCUS (National Association of State Credit Union Supervisors) will enroll you and advise you about your training reimbursement. The NASCUS Coordinator is located in the NCUA Training Center and can be reached at 703-518-6636.

Cancellation Policy

There is no penalty for cancellation of participants in NCUA-sponsored courses.

Tuition

No tuition is charged to attend NCUA internal training programs.

Lodging and Travel

NCUA Employees

Division of Training and Development staff will make your hotel arrangements. You are responsible to make your own transportation arrangements.

State Employees

The NASCUS Coordinator will make your lodging and travel arrangements through the NCUA Training Center.

National Credit Union Administration

Training Center
Office of Training and Development
1775 Duke Street
Alexandria, Virginia 22314

Telephone: (703) 518-6630
FAX: (703) 518-6655

www.ncua.gov

**COURSE 101:
LEVEL I
Examiner Orientation
And Computer Skills**

This is a two-part program.

Part I provides historical and organizational background of the credit union movement and an introduction to the laws, regulations, and accounting procedures that govern federally insured credit unions.

Part II provides practice using NCUA laptop computers and authorized software.

Prerequisite: None. This program has been developed for the new examiner who has just entered on duty. The computer portion of the training assumes a basic understanding of the Windows operating system and word processing and spreadsheet software.

Length Of Course: 6½ days

**COURSE 102:
LEVEL II
Examiner Computer
Skills**

This course provides an introduction to NCUA's examination procedures and the automated examination software (ARIES).

Prerequisite: The examiner who has completed Level I.

Length Of Course: 8½ days

**COURSE 103:
LEVEL III
Examiner Financial
Analysis**

This course provides detailed review and practice in financial analysis with emphasis on NCUA's Financial Performance Report.

Prerequisite: The examiner who has completed Levels I and II, with approximately 3 months of on-the-job experience.

Length Of Course: 4½ days

**COURSE 104:
LEVEL IV
Examiner
Communication Skills**

This course provides practice in basic analytical skills and verbal and written communication.

Prerequisite: The examiner who has completed Levels I, II, and III and has approximately 5 months of on-the-job experience.

Length Of Course: 8½ days

**COURSE 105:
LEVEL V
Examiner - Specialized**

This course provides an introduction to and practice in specialized areas of lending, asset-liability management, investments, and problem case credit unions.

Prerequisite: The examiner who has completed Levels, I, II, III, and IV and has approximately 9 months of on-the-job experience.

Length Of Course: 4½ days

**SEMINAR 204:
Introduction To Residential
Mortgage Lending
(CORE)**

This course provides the examiner with the ability to analyze and evaluate real estate programs in credit unions. Topics covered include: credit union mortgage lending regulations and programs, mortgage lending products, underwriting decisions, secondary mortgage market, appraisals, delinquency, credit reports, home equity credit lines, collection programs, and consumer compliance. This is an introductory level course.
Length Of Seminar: 4 days

**SEMINAR 205:
Advanced Mortgage
Lending**

This course builds on instruction provided in Introduction to Residential Mortgage Lending and provides more advanced instruction on the secondary mortgage market and marketing real estate loans, commercial lending decisions, problems in the cash flow cycle, lender liability and management of problem loans.
Prerequisite: Seminar 204: Introduction to Residential Mortgage Lending
Length Of Seminar: 4 days

**SEMINAR 206:
Consumer Compliance
Regulation (CORE)**

This course provides the history, purpose, requirements and enforcement policies on NCUA consumer regulations. The course will include Regulation Z, Regulation B, Regulation CC, Residential Mortgage Regulations, and Truth in Savings and Fair Lending issues.
Length Of Seminar: 4 days

**SEMINAR 207:
Fraud Prevention
(CORE)**

This course provides the examiner with a review of procedures and techniques that can be used to verify accuracy of credit union records, deal with record keeping problems, and prevent fraud.
Length Of Seminar: 3½ days

**SEMINAR 208:
Investments I
(CORE)**

This course provides the examiner with up-to-date information on the various types of investments held by credit unions, legal and accounting issues, broker selection, and a review of policy and suitability issues encountered during evaluation of investment portfolios. Introduces Bloomberg analytics.
Length Of Seminar: 2½ days

**SEMINAR 213:
Investments II
(CORE)**

This course provides instruction on advanced investment topics such as the risk management process, the total return concept, and duration and convexity. Builds on information provided in Investments I. Uses the Bloomberg in interactive sessions to analyze investments.
Length Of Seminar: 2½ days

**SEMINAR 214:
Asset-Liability
Management I
(CORE)**

This course provides instruction in asset-liability management (ALM), including interpretation of reports, relationship of interest rate risk management, recognizing components of risk, and thinking through the ALM process to develop effective recommendations/corrective actions in the assessment of the credit union.

Prerequisites: Investments I, Investments II, and ALM I.

Length Of Seminar: 4 days

**SEMINAR 215:
Consumer Lending
(CORE)**

This course provides the examiner with instruction in the elements of lending decisions and specialized lending programs (such as risk based lending, indirect lending and credit card lending). This seminar will also provide information on the evaluation of collection programs and bankruptcy.

Length Of Seminar: 4½ days

**SEMINAR 216:
Asset Liability
Management II**

This course provides more extensive asset-liability management (ALM) training for examiners who will participate in the complex, higher risk credit union examinations in their region. Some balance sheet risk areas that will be addressed are: evaluation of potential red flags, factors affecting interest rate risk, automated tools to evaluate risk, vendor model evaluation, and the use of new ALM procedures for assessing balance sheet risk.

Length Of Seminar: 2½ days

**SEMINAR 501:
Impact Presentations
(CORE)**

This course provides practice and skills development in projecting self-confidence, analyzing the audience, gaining and holding audience attention, developing good rapport with the audience, organizing the presentation, and delivering the message with impact. Emphasis is placed on Joint Conference briefings, and Executive, Critical or Problem Case Briefings. Presentations are videotaped.

Length Of Seminar: 4 days

**SEMINAR 502:
Effective Writing for
Examiners**

This course provides instruction in how to produce well-organized, well-written examination reports and letters to credit union officials using clear, concise and convincing writing.

Length Of Seminar: 2 days

**SEMINAR 503:
Effective Writing for Office
Staff (Federal only)**

This course provides instruction in how to produce well-organized, well-written memos, letters, and reports using clear, concise and convincing writing.

Length Of Seminar: 2 days

SEMINAR 506:
Writing Clear Policies
And Procedures
(Federal only)

This course provides instruction in how to write clear, easy-to-read regulations and other documents for use by the public. Participants will work on current products such as manuals, instructions, bulletins, etc.

Length Of Seminar: 3 days

SEMINAR 403:
Dealing With Performance
And Conduct
(Federal only)

This course identifies supervisor responsibilities in dealing with employee performance and conduct problems, the legal authorities for taking performance or conduct actions, and appropriate and legally sound strategies for resolving problems. Provides practice in effective conflict resolution.

Length Of Seminar: 3 days

Office of the Comptroller of the Currency

Courses offered by the OCC are specific to its responsibilities as the regulatory agency for national banks. Courses are scheduled and conducted based on needs of OCC examiners.

Registration Procedures

Specific courses and the number of sessions are determined in the second quarter of each preceding year on the basis of examiner requests. Courses may be added or canceled as OCC training needs and priorities change. Participants are notified in writing 35 days in advance of the school start date. Agencies may request slots for schools by contacting the OCC training office below. The OCC will notify agencies when their requests for training can be accommodated. Requesting agencies are responsible for notifying their employees.

Cancellation Policy

Agencies should notify the OCC of cancellations at least 35 days in advance.

Tuition

Tuition will be set annually by the OCC.

Funding

The OCC does not provide funding assistance to participants from other agencies for OCC or FFIEC courses.

Lodging

The OCC does not provide for or arrange lodging for non-OCC participants.

Contact

Requests for training will be evaluated on a case-by-case basis. Agencies interested in requesting training or obtaining further information should contact:

Ms. Diane Gipson

**Office of the Comptroller of the
Currency**

1114 Avenue of the Americas, Suite 3900
New York, NY 10036

Telephone: (212) 790-4031

www.occ.treas.gov

**Bank Supervision Special Topics:
Self-Study**

These are Bank Supervision self-study topics delivered in a CD format, appropriate for bank examiners with 3 or more years of exam experience. There are eight modules of instruction:

- Legal Lending Limits
- Insider Activities
- Related Organizations
- Earnings & Capital
- Audit and Internal Controls
- Information Technology
- Community Bank Consumer Compliance
- Asset Management

Course Length: 40 hours

Equipment Requirements: Acrobat Reader is required to use the CD ROM. It should also be noted that there are some references to additional resources that are only available through the OCC's Intranet. This information is not necessary for other agency employees to complete the CD training. It is an additional reference resource for learning more information about some topics or to use as a job aid for these topics on examinations.

Prerequisites: None

Target Audience: Pre-commissioned examiners

**Consumer Compliance School
(Basic)**

This school focuses on consumer compliance examination techniques and procedures. Upon completion, a participant should be able to identify technical requirements associated with consumer laws and regulations and interpret and apply provisions of the laws and regulations to exam procedures.

Course Length: 31 hours

Intended Audience: Pre-commissioned Examiners who have participated in at least two consumer compliance examinations.

Prerequisites: Completion of the Compliance School pre-work that is mailed 6 weeks prior to the scheduled session. This includes the Internet-Based Banker's Edge Basic Consumer Compliance Self-Study course (32 hours). It also includes the OCC's CD-based pre-course work (8 hours).
The Banker's Edge program will have to be negotiated directly through the examiner's own agency with Banker's Edge.

Evaluating Bank Management

This school focuses on comparison of board and management responsibilities, strategic planning/decision making, control systems, personnel administration, insider activities, specialty areas, rating management, and a case study. Upon completion, a participant should be able to apply appropriate methods to evaluate the factors of the management component and rate bank management, document the rating with supporting facts and examples, and communicate the board and management rating orally and in writing.

Course Length: 30 hours

Pre-course: CD Rom (6 hours).

Review the OCC's Community Bank Handbook Sections 501 and 502.

Intended Audience: Pre-commissioned Examiners or recently commissioned examiners who have managed an exam and have evaluated management performance at least once.

Fair Lending

This school focuses on skills needed to conduct fair lending examinations, primarily at the community bank level, and assist in a large bank Fair Lending examination using Community Bank and Large Bank procedures. In addition to explaining the Benchmark Approach to completing fair lending exams, this school provides an explanation of the OCC's fair lending screening process, discusses current fair lending issues, and provides assistance on how to recognize fair lending concerns. The course also includes file reviews and a case study that allows hands-on application of the concepts presented in the class.

Course Length: 24 hours

Prerequisites: Attendance at Basic Consumer Compliance School is recommended but not required.

Intended Audience: Pre-commissioned or commissioned examiners who will be conducting fair lending exams, as well as portfolio managers and safety and soundness examiners. If possible, participants should assist in a Fair Lending exam prior to attending the training. This is preferred, but not required.

Portfolio Manager Techniques

This school will introduce participants to the full range of their portfolio manager responsibilities, including understanding the factors that affect bank risk profiles, establishing supervisory objectives and related strategies, and applying project and team management techniques.

Course Length: 32 hours

Intended Audience: Pre-commissioned Examiners within 1 year of UCE testing, recently commissioned examiners who want to refine their portfolio manager skills, or examiners ready to assume portfolio manager responsibilities.

Prerequisite: Participants should have completed at least one EIC assignment to accomplish supervisory plans and pre-course reading material (4 hours).

Problem Bank Supervision

This school focuses on recognizing emerging problems in national banks and identifying various supervisory strategies and enforcement remedies available for supervising these institutions.

Course Length: 23 hours

Intended Audience: Pre-commissioned examiners who have experience as an EIC in at least five community bank examinations.

Prerequisite: None

Asset Securitization - Intermediate

This course expands upon participant's basic knowledge of securitization structures by exploring the more complex world of CDO structures and the changing landscape of ABCP programs. Both cash and synthetic CDO structures will be explained. Accounting and risk-based capital rule changes have influenced structural changes to many ABCP programs, forms of credit enhancement and liquidity facilities (ENs, Puts, etc.). The course will cover accounting issues, risk-based capital implications under the domestic rules for both BIS II and non-BIS II banks. Students will gain a better understanding of these more complex structured finance products. The participant should be able to apply this knowledge in the exam setting by evaluating the bank's role in structuring these products and assessing the risk the bank retains. Current industry trends are discussed in relation to the risks associated with them. Also covered is evaluation of the quality of risk management systems used to control exposures arising from asset securitization.

Course Length: 32 hours

Intended Audience: Designed for examiners and other agency personnel who are already involved in evaluating bank asset securitization programs. Experience or advanced study in the areas of finance and accounting will be helpful. Attendees must have practical working knowledge of term and/or revolving securitization structures, including the concepts of bankruptcy remoteness, credit enhancement, credit tranching, and cash flow waterfall priorities. Previous attendance of the OCC's Intro to Asset Securitization course is helpful but not required.

Call Report Self-Study (OCC)

This is a CD-based course where, upon completion, a participant should be able to: use the Call Report instructions as a reference guide, recognize efficiencies that can be used in the Call Report review process, recognize common errors and problems in the preparation of Call Reports, and verify that the Call Report was prepared in accordance with applicable instructions.

Course Length: 8 hours

Pre-work: None

Prerequisites: None

Target Audience: Pre-commissioned examiners with 1 year of experience or less who will perform a Call Report review within 3 months.

Office of Thrift Supervision

Registration Procedures

The Professional Development calendar is based on need each calendar year. Once the new calendar is in place, enrollments are taken. Enrollments are accepted by phone, e-mail, or internal memo. This annual process is completed late in the 4th quarter of each year, at which time class scheduling will be done for the next year.

Cancellation Policy

Cancellations need to be reported to Professional Development no later than 35 days before the start of the class.

Tuition

Class participants are responsible for their own travel and lodging costs. Contact Professional Development at the OTS for applicable tuition information.

Lodging

Approximately 30 days prior to the start date of a class, pre-course materials are sent to the scheduled participants with a memo outlining course logistics. Hotel accommodations are arranged for all out-of-town participants.

Contact

For further information please contact:

Ms. Beverly Ballard
Program Support Specialist
Office of Thrift Supervision
PD
1700 G Street, NW
Washington, DC 20552
Telephone: (202) 906-6244
Fax: (202) 906-6368

beverly.ballard@ots.treas.gov

Advanced AET - Holding Company

Through lecture and class activities, the Holding Company course will cover the following objectives.

- *Identify key ratios*
- *Highlight important footnotes*
- *Illustrate peer data*
- *Highlight “double leverage”*

Synthesis equity market & bond rating information with direct application to an OTS case study are included.

Pre-course work: None
Class Time: 2 days
Intended Audience: Post Accreditation

Advanced Compliance Topics

This seminar provides compliance specialists an opportunity to discuss and explore current compliance issues on a cross-regional basis, learn about significant regulatory changes, and ensure consistency in the overall approach to the implementation of compliance examination policy. Since the curriculum for the seminar is updated regularly, specialists may attend on a yearly basis.

Pre-course work: None
Class Time : 3 days
Intended Audience: Post Accreditation

Advanced Examiner Topics

Through lecture and class activities, AET covers three main topics: investment securities, sensitivity to interest rate risk, and capital management. Investment Securities provides a comprehensive review of duration, credit risk, marketability, taxation issues, and currency in global bonds and embedded options on structured notes. Sensitivity to risk reviews the consequences of entering the interest rate swap, interest rate cap, and the interest rate futures market on the thrift's net interest margin and net portfolio value. The risk/reward tradeoff of each instrument is evaluated. Capital management includes cases to discuss dividend constraints, stable and rational dividend payment, and factors applicable to a pay out ratio. Course content is updated frequently so examiners may attend more than once.

Pre-course work: None
Class Time: 2 Days
Intended Audience: Post Accreditation

Commercial Business Lending

This course covers the fundamentals of commercial lending, including cash flow projection and analysis, business risk, ratio and financial statement analysis, loan structuring, basic loan documentation, and credit scoring. Case studies are used to emphasize how changes in business conditions and cash flow affect credit underwriting.

Pre-course work: None
Class Time: 3 days
Intended Audience: Post Accreditation

Credit Scoring

Credit Scoring covers the process from score pad development through account/portfolio management. Topics include basic score concepts, legal and examination issues, calibrating bureau scores, prescreening, applicant screening, and account/risk management.

Pre-course work: None
Class Time: 2 days
Intended Audience: All examiners

Interest Rate Risk

During this 1½-day course, lecture and case studies will focus on 1) regulatory guidance TB13a; 2) interest rates, structures, and projections; 3) best risk management practices; and 4) internal models and complex securities.

Pre-course work: None
Class Time: 1½ days
Intended Audience: All levels of examinations staff or anyone who needs to understand the OTS NPV Model and IRR.

OTS Accreditation Course Offerings

This series of accredited courses is primarily intended for those pursuing an accreditation with the Office of Thrift Supervision. However, enrollment is open to anyone demonstrating a need to attend. All participants are expected to attend the full course and participate in the final test.

New Thrift Regulator Training School

NTRS is intended to provide participants with a basic technical knowledge of the safety and soundness examination process. The class is required for all OTS accreditation candidates. The first week of the course is devoted to financial related topics such as financial operations analysis, liquidity, investments, capital, and interest rate risk. The second week covers the basics of credit underwriting and analysis.

Pre-course work: 24 hours
Class Time: 10 days
Intended Audience: All new examiners with approximately 6 months of field experience

Test: 2 separate tests – Finance Test and Credit Test

Technology Risk Controls

This course is designed to prepare Safety and Soundness Examiners to evaluate the adequacy of an institution's information systems and technology infrastructure. Candidates for the CTE and Trust Accreditation are required to take this course. This program will discuss analytical procedures to determine if an institution's planning, policies, procedures for deployment and operation of various technology systems, and audit processes are adequate to ensure a safe, sound, and secure information technology infrastructure.

Pre-course work: None
Class Time: 2½ days
Intended Audience: All new examiners with 15 months of experience
Test – None

Asset Liability and Risk Management

The principal objectives of the 1-week course include: 1) illustrating the dynamic interrelationships between each CAMELS area in a thrift institution and 2) highlighting the risk management process with a focus on measuring and controlling financial and credit risk. This is a required course for the CTE accreditation candidate. The school promotes active learning; material is initially presented by lecture, example, and small problems. A computer simulation of a banking institution subsequently reinforces key concepts. The simulation, *BankSim* requires examiners to make financial, credit, marketing, and managerial decisions within a bank. The simulation bank, which is managed by a small group of OTS examiners, competes against other institutions in a variety of business cycles.

Pre-course work: 24–30 hours
Class Time: 4½ days
Intended Audience: Examiners with 18–30 months of experience
Test: Yes

Compliance School I

Participants will address the purpose of the compliance regulations, examination procedures, and other regulatory concerns covered in the OTS Compliance Activities Regulatory Handbook. Major emphasis is on the areas of fair lending, consumer laws and regulations, compliance laws and regulations, and the Community Reinvestment Act. This is a required course for OTS CTE accreditation candidates.

Pre-course work: None
Class Time: 9½ days
Intended Audience: CTE Candidates
Test: Yes

Compliance School II

Participants will cover advanced compliance topics such as BSA, CRA, fair lending, and complicated Regulation Z disclosures. Participants learn how to rate a thrift's CRA and compliance management-performance and manage a compliance examination.

Pre-course work: None
Class Time: 5 days
Intended Audience: CTE Candidates
Prerequisite: Successful completion of Compliance I
Test: Yes